

ASSEMBLY, No. 1451

STATE OF NEW JERSEY

219th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2020 SESSION

Sponsored by:

Assemblywoman BETTYLOU DECROCE

District 26 (Essex, Morris and Passaic)

Assemblyman CHRISTOPHER P. DEPHILLIPS

District 40 (Bergen, Essex, Morris and Passaic)

Assemblyman ANDREW ZWICKER

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Co-Sponsored by:

Assemblymen Rooney, Bramnick, Dancer, DiMaio, DeAngelo, Thomson,

Assemblywoman DiMaso, Assemblymen McGuckin, Peters and

Assemblywoman N.Munoz

SYNOPSIS

Prohibits campaign expenditures to entities whose principals cannot be readily identified.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 **AN ACT** concerning certain campaign expenditures and amending
2 P.L.1973, c.83.

3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6

7 1. Section 20 of P.L.1973, c.83 (C.19:44A-20) is amended to
8 read as follows:

9 20. No contribution of money or other thing of value, nor
10 obligation therefor, shall be made, and no expenditure of money or
11 other thing of value, nor obligation therefor, shall be made or
12 incurred whether anonymously, in a fictitious name, or by one
13 person or group in the name of another, to support or defeat a
14 candidate in an election or to aid the passage or defeat of any public
15 question or to provide political information on any candidate or
16 public question or to seek to influence the content, introduction,
17 passage or defeat of legislation.

18 No individual, either alone or jointly with one or more other
19 individuals, and no corporation, partnership, membership
20 organization or other incorporated or unincorporated association
21 shall loan or advance to any individual, group of individuals,
22 corporation, partnership, membership organization or other
23 incorporated or unincorporated association any money or other
24 thing of value expressly for the purpose of inducing the recipient
25 thereof, or any other individual, group, corporation, partnership,
26 organization or association, to make a contribution, either directly
27 or indirectly, of money or other thing of value to a candidate or the
28 candidate committee or joint candidates committee of a candidate.

29 No person shall contribute, or purport to contribute, to any
30 candidate, candidate committee or joint candidates committee,
31 political committee, continuing political committee, political party
32 committee or legislative leadership committee funds or property
33 which does not actually belong to him and is not in his full custody
34 and control; which has been given or furnished to him by any other
35 person or group for the purpose of making a contribution thereof,
36 except in the case of group contributions by persons who are
37 members of the contributing group; or which has been loaned or
38 advanced expressly for the purpose of inducing the making of a
39 contribution to a candidate, candidate committee or joint candidates
40 committee.

41 No treasurer, candidate or member of a candidate committee,
42 joint candidates committee, political committee, continuing political
43 committee, political party committee or legislative leadership
44 committee shall solicit or knowingly accept, agree to accept or

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 concur in or abet the solicitation or acceptance of any contribution
2 contrary to the provisions of this section.

3 No treasurer, candidate or member of a candidate committee,
4 joint candidates committee, political committee, continuing political
5 committee, political party committee or legislative leadership
6 committee shall make any expenditure to an entity whose principals
7 cannot be readily identified in the entity's registration in this State,
8 another state of the United States, or a federal government agency.
9 (cf: P.L.1993, c.65, s.11)

10

11 2. Section 21 of P.L.1973, c.83 (C.19:44A-21) is amended to
12 read as follows:

13 21. a. Any person who purposely and with intent to conceal or
14 misrepresent contributions given or received or expenditures made
15 or incurred to aid or promote the nomination, election or defeat of
16 any candidate for public office or party position, or to aid or
17 promote the passage or defeat of a public question in any election,
18 or to aid the dissemination of political information in connection
19 with any election makes or accepts any contribution or makes or
20 incurs any expenditure in violation of section 7, 11 or 20 of this act
21 is guilty of a crime of the fourth degree.

22 b. Any person who purposely files or prepares or assists in the
23 preparation for filing or purposely acquiesces in the preparation or
24 filing of any report required under this act which the person knows
25 is false, inaccurate or incomplete in any material particular; or who
26 purposely fails or refuses to file any such report when required to
27 do so pursuant to the provisions of this act; or who purposely
28 supplies any information which he knows to be false, inaccurate or
29 incomplete to any person preparing or assisting in the preparation of
30 any such report, with the knowledge that such information is
31 intended for the purposes of such report, is guilty of a crime of the
32 fourth degree.

33 c. The nomination for or election to any office of any candidate
34 who is guilty of any violation within the description of subsection a.
35 or b. of this section shall be void, and the office shall be filled as
36 required by law in the case of a vacancy; provided, however, that
37 nothing herein contained shall be construed in derogation of the
38 constitutional authority of either House of the Legislature to be the
39 judge of the election and qualification of its own members.

40 d. Any individual, partnership, membership organization or
41 other association who or which, directly or through an agent,
42 purposely makes a loan or advance of money or other thing of value
43 in violation of section 11 or section 20 of P.L. 1973, c. 83
44 (C. 19:44A-11 or C. 19:44A-20) is guilty of a crime of the fourth
45 degree.

46 e. Any individual, partnership, membership organization or
47 other association who or which purposely makes a contribution as a
48 result of having been induced to do so through the receipt, promise

1 or offer of a loan or advance of money or other thing of value, the
2 making of which loan or advance would constitute a violation of
3 section 11 or section 20 of P.L.1973, c.83 (C.19:44A-11 or
4 C.19:44A-20), is guilty of a crime of the fourth degree.

5 f. Any treasurer, candidate or member of a candidate committee,
6 joint candidates committee, political committee, continuing political
7 committee, political party committee or legislative leadership
8 committee who makes any expenditure to an entity whose principals
9 cannot be readily identified in the entity's registration in this State,
10 another state of the United States, or a federal government agency
11 in violation of section 20 of P.L.1973, c.83 (C.19:44A-20) is guilty
12 of a crime of the fourth degree.

13 (cf: P.L.1993, c.65, s.12)

14
15 3. Section 22 of P.L.1973, c.83 (C.19:44A-22) is amended to
16 read as follows:

17 22. a. (1) Except as provided in subsection e. or f., any person,
18 including any candidate, treasurer, candidate committee or joint
19 candidates committee, political committee, continuing political
20 committee, political party committee or legislative leadership
21 committee, charged with the responsibility under the terms of this
22 act for the preparation, certification, filing or retention of any
23 reports, records, notices or other documents, who fails, neglects or
24 omits to prepare, certify, file or retain any such report, record,
25 notice or document at the time or during the time period, as the case
26 may be, and in the manner prescribed by law, or who omits or
27 incorrectly states or certifies any of the information required by law
28 to be included in such report, record, notice or document, any
29 person who proposes to undertake or undertakes a public
30 solicitation, testimonial affair or other activity relating to
31 contributions or expenditures in any way regulated by the
32 provisions of this act who fails to comply with those regulatory
33 provisions, or who makes any expenditure to an entity whose
34 principals cannot be readily identified in the entity's registration in
35 this State, another state of the United States, or a federal
36 government agency, and any other person who in any way violates
37 any of the provisions of this act shall, in addition to any other
38 penalty provided by law, be liable to a penalty of not more than
39 \$6,000 for the first offense and not more than \$12,000 for the
40 second and each subsequent offense.

41 (2) No person shall willfully and intentionally agree with
42 another person to make a contribution to a candidate, candidate
43 committee, joint candidates committee, political committee,
44 continuing political committee, political party committee, or
45 legislative leadership committee with the intent, or upon the
46 condition, understanding or belief, that the recipient candidate or
47 committee shall make or have made a contribution to another such
48 candidate or committee, but this paragraph shall not be construed to

1 prohibit a county or municipal committee of a political party from
2 making a contribution or contributions to any candidate, candidate
3 committee, joint candidates committee, political committee,
4 continuing political committee, political party committee, or
5 legislative leadership committee. A finding of a violation of this
6 paragraph shall be made only upon clear and convincing evidence.
7 A person who violates the provisions of this paragraph shall be
8 liable to a penalty equal to four times the amount of the contribution
9 which that person agreed to make to the recipient candidate or
10 committee.

11 b. Upon receiving evidence of any violation of this section, the
12 Election Law Enforcement Commission shall have power to hold,
13 or to cause to be held under the provisions of subsection d. of this
14 section, hearings upon such violation and, upon finding any person
15 to have committed such a violation, to assess such penalty, within
16 the limits prescribed in subsection a. of this section, as it deems
17 proper under the circumstances, which penalty shall be paid
18 forthwith into the State Treasury for the general purposes of the
19 State.

20 c. In assessing any penalty under this section, the Election Law
21 Enforcement Commission may provide for the remission of all or
22 any part of such penalty conditioned upon the prompt correction of
23 any failure, neglect, error or omission constituting the violation for
24 which said penalty was assessed.

25 d. The commission may designate a hearing officer to hear
26 complaints of violations of this act. Such hearing officer shall take
27 testimony, compile a record and make factual findings, and shall
28 submit the same to the commission, which shall have power to
29 assess penalties within the limits and under the conditions
30 prescribed in subsections b. and c. of this section. The commission
31 shall review the record and findings of the hearing officer, but it
32 may also seek such additional testimony as it deems necessary. The
33 commission's determination shall be by majority vote of the entire
34 authorized membership thereof.

35 e. Any person who willfully and intentionally makes or accepts
36 any contribution in violation of section 4 of P.L.1974, c.26
37 (C.19:44A-29) or section 18, 19 or 20 of P.L.1993, c.65 (C.19:44A-
38 11.3, C.19:44A-11.4 or C.19:44A-11.5), shall be liable to a penalty
39 of:

40 (1) Not more than \$10,000 if the cumulative total amount of
41 those contributions is less than or equal to \$5,000.00;

42 (2) Not more than \$150,000 if the cumulative total amount of
43 those contributions was more than \$5,000.00 but less than \$75,000;
44 and

45 (3) Not more than \$200,000 if the cumulative total amount of
46 those contributions is equal to or more than \$75,000.00.

47 f. In addition to any penalty imposed pursuant to subsection e.
48 of this section, a person holding any elective public office shall

1 forfeit that public office if the Election Law Enforcement
2 Commission determines that the cumulative total amount of the
3 illegal contributions was more than \$50,000.00 and that the
4 violation had a significant impact on the outcome of the election.

5 g. Any penalty prescribed in this section shall be enforced in a
6 summary proceeding under the "Penalty Enforcement Law of
7 1999," P.L.1999, c.274 (C.2A:58-10 et seq.).
8 (cf: P.L.2004, c.32, s.1)

9
10 4. This act shall take effect immediately.

11
12
13 STATEMENT
14

15 Under current law, candidates, persons who make expenditures
16 on behalf of candidates for election, and their respective committees
17 are required to report campaign contributions and expenditures to
18 the Election Law Enforcement Commission (ELEC). Current law
19 specifies allowable contributions and expenditures and, among
20 other provisions, prohibit the filing of false reports.

21 This bill amends the "The New Jersey Campaign Contributions
22 and Expenditures Reporting Act" to further prohibit a treasurer,
23 candidate or member of a candidate committee, joint candidates
24 committee, political committee, continuing political committee,
25 political party committee or legislative leadership committee from
26 making any expenditure to an entity whose principals cannot be
27 readily identified in the entity's registration in this State, another
28 state of the United States, or a federal government agency. The bill
29 makes violations of this prohibition crimes of the fourth degree, and
30 provides that violators will be liable to a penalty of not more than
31 \$6,000 for the first offense and not more than \$12,000 for the
32 second and each subsequent offense.